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LEGISLATIVE AUDITOR

TOWN OF WHITE CASTLE, LOUISIANA

FINANCIAL REPORT

September 30, 1988

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 25 1988

TOWN OF WHITE CASTLE, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the Board of Aldermen,
Town of White Castle, Louisiana

We have audited the accompanying general purpose financial statements and the combining, individual fund, and account groups financial statements of the **TOWN OF WHITE CASTLE, LOUISIANA** as of and for the year ended September 30, 1997, as listed in the accompanying table of contents. These financial statements are the responsibility of the **TOWN's** management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the **TOWN OF WHITE CASTLE, LOUISIANA** as of September 30, 1997, and the results of its operations and each class of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In our opinion, the combining, individual fund, and account groups general purpose financial statements referred to above, present fairly, in all material respects, the financial position of each of the individual funds and account groups of the **TOWN OF WHITE CASTLE, LOUISIANA** as of September 30, 1997, and the results of operations of such funds and the cash flows of individual proprietary fund types. For the year then ended in conformity with generally accepted accounting principles.

In accordance with *Governor Drafting Standards*, we have also issued reports dated January 7, 1998, on our consideration of the **TOWN's** internal control structure and on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account groups financial statements. The accompanying financial information listed as schedules and statistical information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the **TOWN OF WHITE CASTLE, LOUISIANA**. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account groups financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements and the financial statements of each of the respective individual funds and account groups taken as a whole.

The financial statements for the year ended September 30, 1996, were taken from that financial report in which we expressed an unqualified opinion on the general purpose, combining, individual fund and account groups financial statements of the **TOWN OF WHITE CASTLE, LOUISIANA**.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
January 7, 1998

**TOWN OF WHITE CASTLE, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS**

COMBINED BALANCE SHEET

September 30, 1997

| | Governmental Fund Types | | | |
|--|-------------------------|---------------------|-------------------|--------------------|
| | General | Special Revenue | Debt Service | Capital Project |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 31,991 | \$ 299,380 | \$ 78,966 | \$ 64,110 |
| Investments, at cost | - | 748,218 | 144,008 | 288,055 |
| Accounts receivable, net | - | - | - | - |
| Due from other governments | - | 44,652 | - | - |
| Due from other funds | 149,419 | - | - | - |
| Prepaid insurance | - | - | - | - |
| Restricted cash | - | - | - | - |
| Inventories, at cost | - | - | - | - |
| General fixed assets | - | - | - | - |
| Fixed assets, net | - | - | - | - |
| Available in debt service fund | - | - | - | - |
| Available to be provided for retirement of general long-term debt | - | - | - | - |
| Total assets | \$ 183,012 | \$ 1,091,650 | \$ 214,966 | \$ 272,165 |
| LIABILITIES | | | | |
| Accounts payable | \$ 21,000 | \$ - | \$ - | \$ 71,851 |
| Contracts payable | - | - | - | - |
| Payroll and other accrued liabilities | 36,823 | - | - | - |
| Due to other funds | - | - | - | - |
| Customer deposits | - | - | - | - |
| Deferred revenue | - | 66,681 | - | - |
| Current portion of long-term debt | - | - | - | - |
| Long term debt | - | - | - | - |
| Total liabilities | \$ 57,823 | \$ 66,681 | \$ - | \$ 71,851 |
| FUND EQUITY | | | | |
| Contributed capital | - | - | - | - |
| From municipality | - | - | - | - |
| From parish | - | - | - | - |
| From federal grant | - | - | - | - |
| Investment in general fixed assets | - | - | - | - |
| Retained earnings | - | - | - | - |
| Reserved - debt extinguishment | - | - | - | - |
| Reserved - property, repairs and replacement | - | - | - | - |
| Designated - subsequent year's expenses | - | - | - | - |
| Unreserved | - | - | - | - |
| Fund balance | - | - | - | - |
| Reserved - debt service | - | - | 214,966 | - |
| Designated - subsequent year's expenditures | - | 162,194 | - | - |
| Undesignated | 129,156 | 662,698 | - | 288,115 |
| Total fund equity | \$ 129,156 | \$ 1,024,192 | \$ 214,966 | \$ 272,115 |
| Total liabilities and fund equity | \$ 183,012 | \$ 1,091,650 | \$ 214,966 | \$ 272,266 |

| Proprietary Fund Type | Account Group | | Total | |
|--------------------------|---------------|-------------------|----------------|--------------|
| | General | General | (Maximum Debt) | |
| | Fund Assets | Liabilities, Debt | 1997 | 1996 |
| \$ 153,798 | \$ - | \$ - | \$ 602,698 | \$ 268,018 |
| 483,372 | - | - | 1,584,088 | 1,281,988 |
| 43,383 | - | - | 43,383 | 43,378 |
| - | - | - | 44,093 | 93,877 |
| - | - | - | 149,419 | 99,947 |
| 7,284 | - | - | 7,284 | - |
| 99,323 | - | - | 99,323 | 807,183 |
| 6,679 | - | - | 6,679 | 4,263 |
| - | 2,418,978 | - | 2,419,978 | 2,301,740 |
| 2,852,293 | - | - | 2,833,285 | 2,944,213 |
| - | - | 214,966 | 214,966 | 196,204 |
| - | - | 1,230,186 | 1,215,186 | 1,613,483 |
| \$ 3,438,459 | \$ 2,418,978 | \$ 1,445,172 | \$ 9,267,793 | \$ 8,478,472 |
| \$ 49,128 | \$ - | \$ - | \$ 144,112 | \$ 74,298 |
| - | - | - | - | 58,078 |
| 21,548 | - | - | 52,378 | 25,317 |
| 149,419 | - | - | 149,419 | 99,947 |
| 84,882 | - | - | 84,882 | 82,492 |
| - | - | - | 88,691 | 53,212 |
| 26,104 | - | - | 26,104 | 23,652 |
| 871,766 | - | 1,429,022 | 1,596,828 | 1,587,387 |
| 1,283,171 | - | 1,429,022 | 1,981,793 | 1,688,181 |
| 130,730 | - | - | 130,730 | 130,730 |
| 1,219,683 | - | - | 1,219,683 | 1,219,683 |
| 116,900 | - | - | 116,900 | 135,580 |
| - | 2,418,978 | - | 2,419,978 | 2,301,740 |
| 13,379 | - | - | 13,379 | 9,387 |
| 18,978 | - | - | 18,978 | 15,116 |
| 18,710 | - | - | 18,710 | 35,118 |
| 848,328 | - | - | 848,328 | 824,948 |
| - | - | - | 214,966 | 196,204 |
| - | - | - | 182,194 | 8,787 |
| - | - | - | 1,192,867 | 1,003,340 |
| 2,076,103 | 2,418,978 | - | 4,568,158 | 3,991,188 |
| \$ 3,659,659 | \$ 2,418,978 | \$ 1,429,022 | \$ 9,267,283 | \$ 8,578,672 |

Notes on Exhibit A-6 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA
ALL-GOVERNMENTAL FUND TYPES**

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the year ended September 30, 2007

| | General | Special Revenues | Fees Income | Capital Projects | Totals | |
|---|----------------|---------------------|----------------|---------------------|------------------|------------------|
| | | | | | Revenue | Expenditure |
| REVENUES | | | | | | |
| Taxes | \$ 41,740 | \$ - | \$ - | \$ - | \$ 41,740 | \$ 41,740 |
| License and permits | 46,444 | - | - | - | 46,444 | 46,444 |
| Intergovernmental | 96,021 | 98,487 | - | - | 194,508 | 194,508 |
| Fees | 21,481 | - | - | - | 21,481 | 21,481 |
| Other | 14,882 | 6,258 | 8,252 | 1,481 | 31,473 | 31,473 |
| Total revenues | 240,368 | 104,745 | 8,252 | 1,481 | 455,846 | 455,846 |
| EXPENDITURES | | | | | | |
| General government | 204,448 | - | - | - | 204,448 | 204,448 |
| Public safety | 48,275 | - | - | - | 48,275 | 48,275 |
| Public works | 14,906 | - | - | - | 14,906 | 14,906 |
| Health and sanitation | - | - | - | - | - | - |
| Public health | 14,974 | 21,641 | - | - | 36,615 | 36,615 |
| Recreation | - | - | - | - | - | - |
| Capital projects | - | - | 141,276 | 141,276 | 282,552 | 282,552 |
| Other services | - | - | 69,463 | - | 69,463 | 69,463 |
| Total expenditures | 272,623 | 21,641 | 190,740 | 141,276 | 626,280 | 626,280 |
| Excess (deficiency) of revenues over expenditures | 67,745 | 83,104 | (182,488) | (139,795) | (134,634) | 111,162 |
| CHANGES IN FUND BALANCE | | | | | | |
| Residual from beginning date | 649,244 | - | 200,000 | - | 849,244 | 849,244 |
| Operating transfers in | - | (844,923) | 8,252 | - | (836,671) | (836,671) |
| Operating transfers out | (40,645) | (444,625) | (65,111) | (26,028) | (976,409) | (976,409) |
| Total change in fund balance | 208,599 | (1,265,544) | 143,141 | (26,028) | (949,832) | (949,832) |
| Balance at end of year | 857,843 | (1,182,440) | 343,141 | (26,028) | 122,416 | 122,416 |

Notes on Exhibit 6-2 are an integral part of the statement.

**TOWN OF WHITE CASTLE, LOUISIANA
ALL-GOVERNMENTAL FUND TYPES**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1997

| | General Fund | | | Special Revenue Fund | | |
|--|------------------|-------------------|--|----------------------|---------------------|--|
| | Budget | Actual | Variance Favorable (unfavorable) | Budget | Actual | Variance Favorable (unfavorable) |
| REVENUES | | | | | | |
| Taxes | \$ 45,161 | \$ 45,780 | \$ 619 | \$ - | \$ - | \$ - |
| Licenses and permits | 44,000 | 44,814 | 814 | - | - | - |
| Intergovernmental | 114,500 | 96,800 | (17,700) | 789,245 | 781,497 | (7,748) |
| Fees | 20,000 | 20,960 | 960 | - | - | - |
| Other | 14,400 | 14,072 | (328) | 8,000 | 41,722 | 33,722 |
| Total revenues | <u>297,061</u> | <u>282,426</u> | <u>(14,635)</u> | <u>797,245</u> | <u>823,216</u> | <u>25,971</u> |
| EXPENDITURES | | | | | | |
| General government | 294,124 | 294,488 | 364 | - | - | - |
| Public safety | 287,884 | 488,273 | 200,389 | - | - | - |
| Street and sanitation | 126,828 | 140,866 | 14,038 | - | - | - |
| Public health | 31,000 | 24,000 | (7,000) | 11,000 | 11,014 | 14 |
| Recreation | 41,642 | 49,449 | 7,807 | - | - | - |
| Debt service | - | - | - | - | - | - |
| Total expenditures | <u>780,478</u> | <u>997,076</u> | <u>216,598</u> | <u>11,000</u> | <u>11,014</u> | <u>14</u> |
| Excess (deficiency) of revenues over expenditures | <u>(484,417)</u> | <u>(714,650)</u> | <u>(230,233)</u> | <u>786,245</u> | <u>812,202</u> | <u>25,957</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | 349,900 | 349,900 | - | - | - | - |
| Operating transfers out | - | - | - | (349,248) | (349,022) | 226 |
| Total other financing sources (uses) | <u>349,900</u> | <u>349,900</u> | <u>-</u> | <u>(349,248)</u> | <u>(349,022)</u> | <u>226</u> |
| Excess (deficiency) of revenues over expenditures and other sources (uses) | <u>\$ 11,513</u> | <u>(11,641)</u> | <u>\$ (23,128)</u> | <u>\$ 437,000</u> | <u>463,180</u> | <u>\$ 26,180</u> |
| FUND BALANCE | | | | | | |
| Beginning of year | | 139,100 | | | 870,000 | |
| End of year | | <u>\$ 127,459</u> | | | <u>\$ 1,333,180</u> | |

| <u>Debt Service Fund</u> | | |
|--------------------------|------------------|---|
| <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable Unfavorable</u> |
| \$ - | \$ - | \$ - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>6,540</u> | <u>8,771</u> | <u>1,431</u> |
| <u>6,540</u> | <u>8,771</u> | <u>1,431</u> |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>140,519</u> | <u>140,880</u> | <u>(361)</u> |
| <u>140,519</u> | <u>140,880</u> | <u>(361)</u> |
| <u>(142,373)</u> | <u>(140,400)</u> | <u>1,973</u> |
| <u>181,912</u> | <u>180,249</u> | <u>(1,663)</u> |
| <u>61,811</u> | <u>68,290</u> | <u>1,479</u> |
| <u>(75,000)</u> | <u>(80,211)</u> | <u>(5,211)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Notes on Exhibit A-6 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA
ALL PROPRIETARY FUND TYPES**

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS**

For the years ended September 30, 1997 and 1996

| | Total | |
|---|--------------------------|-------------------|
| | (Memorandum Only) | |
| | 1997 | 1996 |
| OPERATING REVENUES | | |
| Charges for services | \$ 408,771 | \$ 408,822 |
| Fees | 38,624 | 38,008 |
| Other | 3,381 | 2,952 |
| | <u>450,776</u> | <u>449,782</u> |
| Total operating revenues | <u>450,776</u> | <u>449,782</u> |
| OPERATING EXPENSES | | |
| Gas | 99,833 | 87,961 |
| Depreciation | 131,581 | 149,897 |
| Field | 205,188 | 230,808 |
| Administration | 179,888 | 147,234 |
| | <u>616,510</u> | <u>615,900</u> |
| Total operating expenses | <u>616,510</u> | <u>615,900</u> |
| Operating income | <u>14,266</u> | <u>33,882</u> |
| NONOPERATING | | |
| Interest income | 30,866 | 34,288 |
| Interest expense | <u>(20,382)</u> | <u>(21,888)</u> |
| | <u>10,484</u> | <u>12,400</u> |
| Total nonoperating | <u>10,484</u> | <u>12,400</u> |
| Income before operating transfers | 24,750 | 46,282 |
| OPERATING TRANSFERS | | |
| Operating transfers out | <u>(52,700)</u> | <u>(58,000)</u> |
| Net loss | <u>(27,950)</u> | <u>(11,718)</u> |
| Depreciation transferred to contributed capital | <u>44,318</u> | <u>42,492</u> |
| Net decrease in retained earnings | <u>(13,632)</u> | <u>(29,226)</u> |
| RETAINED EARNINGS | | |
| Beginning balance | <u>964,882</u> | <u>994,108</u> |
| Ending balance | <u>\$ 951,250</u> | <u>\$ 964,882</u> |

Notes to Exhibit A-4 are an integral part of this statement.

TOWN OF WHITE CASTLE, LOUISIANA
ALL PROPRIETARY FUND TYPES

COMBINED STATEMENT OF CASH FLOWS

For the years ended September 30, 1997 and 1996

| | Years | |
|---|-------------------|--------------------|
| | (Amounts in \$th) | |
| | 1997 | 1996 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating income | \$ 52,574 | \$ 41,714 |
| Adjustments to operating income: | | |
| Depreciation | (51,258) | (48,897) |
| Change in operating assets and liabilities: | | |
| Accounts receivable | 388 | (4,796) |
| Inventory | (2,076) | 1,812 |
| Customer deposits | 2,531 | 2,564 |
| Prepaid insurance | (7,386) | - |
| Accounts payable and accrued expenses | 8,582 | 11,868 |
| Net cash provided by operating activities | <u>\$ (4,445)</u> | <u>\$ (14,445)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Drawn from funds | 49,471 | 32,716 |
| Due from other governments | - | (86,046) |
| Operating investment out | (83,700) | (86,000) |
| Net cash provided (used) by non-capital financing activities | <u>(34,229)</u> | <u>(139,330)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Decrease in contract profits | (41,076) | (120,899) |
| Contributed capital | - | 157,256 |
| Acquisition and construction of capital assets | (66,900) | (108,337) |
| Interest expense | (50,569) | (51,488) |
| Payment of principal on bonds | (21,082) | (20,833) |
| Net cash used by capital activities | <u>(179,607)</u> | <u>(144,201)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of certificates of deposit | (24,497) | (196,078) |
| Interest income | 23,895 | 24,887 |
| Net cash provided (used) by investing activities | <u>5,398</u> | <u>(171,191)</u> |
| Decrease in cash and cash equivalents | <u>(124,876)</u> | <u>(444,071)</u> |
| CASH AND CASH EQUIVALENTS | | |
| Beginning of period | <u>174,787</u> | <u>189,228</u> |
| End of period | <u>\$ 49,911</u> | <u>\$ 45,157</u> |

Notes on Exhibit A-5 are an integral part of this statement.

TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement presentation

The financial statements of the Town of White Castle, Louisiana (the Town) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the Town are described below.

Reporting entity

For financial reporting purposes, the Town includes all funds and account groups that are controlled by or dependent on the Town's executive or legislative branches (the Mayor or the Board of Aldermen, respectively). Control by or dependence on the Town is determined on the basis of budget adoption, taxing authority, outstanding debts incurred by revenues or general obligations of the Town, obligations of the Town to finance any deficits that may occur, or receipt of significant subsidies from the Town.

The following organization is not part of the Town and thus is excluded from the accompanying financial statements:

White Castle Housing Authority

White Castle Housing Authority's (the Authority) operating and capital expenditures, including debt service, are financed from federal grants and tenant rentals. The Town has no involvement in the determination of the Authority's budget, rental rates, or any obligation for the Authority's outstanding debt. Financial transactions between the Town and the Authority, reported in the accompanying financial statements, reflect contractual agreements between the parties for the provision of specific services by the Town for the Authority.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund accounting

The Town uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Town are classified into two categories - governmental and proprietary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Town are accounted for through governmental funds. Measurement is focused upon determining changes in financial position, rather than net income. The following are the governmental fund types of the Town:

General Fund - The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Enterprise Funds - Enterprise funds are used to account for utility operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Account Groups

Account groups are used to establish accounting control and accountability for the Town's fund assets and general long-term debt. The following are the account groups of the Town:

General Fixed Assets Account Group - This group of accounts represents a summary of the fixed assets of the Town. Capital expenditures are recorded as expenditures in the governmental fund types at the time of purchase and are subsequently recorded, at cost, for control purposes, in the general fixed assets account group.

In accordance with generally accepted accounting principles for governmental entities, depreciation is not recorded on general fixed assets.

General Long-Term Debt Account Group - This group of accounts represents a summary of the long-term debt of the Town.

Basis of accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are maintained on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become available (collectible within the current period) and measurable (amount can be determined). Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unamortized interest on general long-term debt which is recognized when due.

The modified accrual basis of accounting as applied to the major sources of revenue is as follows:

All valorem taxes and the related state revenue sharing (which is based on population and households in the Town) are recorded in the year the taxes are assessed. All valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December of the current year and January and February of the following year.

State aid and grants are recorded as revenue when the Town is entitled to the funds, generally corresponding to when grant related costs are incurred by the Town.

Sales taxes are recognized when collected by the intermediary collecting government

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Basis of accounting (Continued)**

Interest income on investments is recorded when investments mature and income is received. No accrual is made at year end.

All proprietary funds are accounted for on a flow of economic resources measurement basis and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting and applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Revenues are recognized when earned, and expenses are recognized as the time liabilities are incurred.

Cash and cash equivalents

A consolidated bank account has been established into which most monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited to the consolidated bank account. The purpose of this consolidation of bank accounts is to provide administrative efficiency and to maximize investment earnings. The account entitled "Cash and cash equivalents" is therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account as well as its pro rata share of cash certificates of deposit with maturities of three months or less. Each fund shares pro rata the investment earnings according to its average cash balance.

In addition, separate accounts have been established for certain debt service funds as required by bond resolution and compliance laws. The Town also has an imprest account for disbursements of payroll.

Investments

Investments, which are time certificates of deposit with maturities in excess of three months, are stated at cost, which is market value.

Inventories

Inventories are stated at cost which approximates market value, using the first-in, first-out method.

Accounts receivable

Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible.

Restricted cash

Restricted cash on the balance sheet of the enterprise funds represents (1) amounts which have been designated to meet unexpected contingencies for property repairs and replacements, (2) funds held for customer deposits and (3) funds held for retirement of sewer revenue bonds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General fixed assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Property acquired through donations is recorded at its estimated fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Improvements are capitalized.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are inseparable and of value only to the government.

Depreciation has not been provided on general fixed assets, nor has interest been capitalized.

Property, plant, equipment and depreciation - proprietary funds

Property, plant and equipment used by the proprietary funds are stated at cost. Interest costs incurred during construction periods are capitalized. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

| | |
|-------------------------|---------------|
| Distribution systems | 10 - 50 years |
| Meters | 5 - 20 years |
| Machinery and equipment | 3 - 10 years |

Compensated absences

All full-time employees of the Town are entitled to annual vacation and sick leave with pay. Vacation leave entitlement does not carry over from one year to another. Employees are able to accrue unused sick leave without limitation; however, the Town is only liable to pay to an employee who was employed by the Town prior to January 1, 1982, any unused sick leave not to exceed 90 days upon retirement. Vacation and sick leave payments are included in expenditures for governmental fund types when the payments are made to employees; the estimated commitment for compensated absences for governmental funds is reported in the general long-term debt account group.

The Town's policy is to present on an accrual basis in its proprietary funds the amount of earned but unused sick leave estimated to be payable upon retirement.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reserves and designations of equity

Some portions of fund balance and/or retained earnings are reserved to indicate that a portion of equity is legally restricted to a specific future use and is not available for appropriation or expenditure.

Designated portions of fund balance and/or retained earnings indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made. The Town has made the following reserves and designations of equity: (a) "Reserved for debt service" is that portion of fund balance which will be used for the payment of general long-term debt principal and interest, (b) "Designated for subsequent years' expenditures" is that portion of fund balance which has been earmarked to make up the following years' budgets, and (c) reserved retained earnings made for future property, repairs and replacements.

Transfers

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts.

Budget policy and budgetary accounting

A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget, prepared on the modified accrual basis, covers the general, special revenue and debt service funds; an operating budget for the capital project fund was not prepared for the year ended September 30, 1997. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Board of Aldermen and are included in the financial statements.

The financial transactions of the debt service funds are comparable to the budgeted revenues, expenditures and other financing sources (uses) adopted by the Board of Aldermen. Accordingly, individual budget comparisons are not presented in this financial report.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative total data

Comparative data for the prior year have been presented in certain accompanying financial statements to provide an understanding of changes in the Town's financial position and operations.

Total columns on combined statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of fair data.

Statement of cash flows

For purposes of the statement of cash flows, liquid investments of the enterprise funds, excluding restricted assets, with a maturity of three months or less are considered to be cash equivalents.

NOTE 2 - CASH AND INVESTMENTS

The Town may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

At year end, the Town's cash and related investment balances, including restricted cash, totaled \$2,315,769 and the related bank balances were \$2,313,348. The bank balances at year end were secured by federal depository insurance of \$200,000 and by collateral held by custodial banks in the Town's name.

The collateral pledged at September 30, 1997, was in the form of statutory approved investments as follows:

| | Value | |
|-------------|---------------------|---------------------|
| | <u>Fair</u> | <u>Market</u> |
| U.S. Agency | <u>\$ 2,378,480</u> | <u>\$ 2,388,855</u> |

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at September 30, 1997, consists of the following:

| | |
|--|------------------|
| Parish of Iberville, Louisiana - Sales Tax | <u>\$ 44,852</u> |
|--|------------------|

NOTE 4 - AD VALOREM TAXES

For the year ended September 30, 1997, taxes of 7.0 mills for the general fund were levied on property with assessed valuations totaling \$3,023,550; taxes levied were \$21,051.

NOTE 5 - FIXED ASSETS

General fixed assets

A summary of changes in general fixed assets for the year ended September 30, 1997, is as follows:

| | Beginning of Year | Net Additions | End of Year |
|-----------------------------------|----------------------|-------------------|---------------------|
| Land | \$ 252,266 | \$ - | \$ 252,266 |
| Buildings and improvements | 925,564 | 47,112 | 982,508 |
| Improvements other than buildings | 399,178 | - | 399,178 |
| Equipment | 754,910 | 71,124 | 826,034 |
| Totals | \$ 2,331,918 | \$ 118,236 | \$ 2,450,154 |

Proprietary fund fixed assets

A summary of changes in proprietary fund fixed assets for the year ended September 30, 1997, is as follows:

| | Beginning of Year | Net Additions | End of Year |
|-------------------------------|----------------------|------------------|---------------------|
| Land | \$ 40,588 | \$ - | \$ 40,588 |
| Distribution systems | 4,228,723 | 28,738 | 4,257,461 |
| Meters | 63,585 | 3,939 | 71,544 |
| Machinery and equipment | 75,155 | 1,858 | 77,013 |
| Construction in progress | - | 22,349 | 22,349 |
| | 4,408,471 | \$ 66,984 | 4,475,455 |
| Less accumulated depreciation | (1,464,126) | | (1,615,757) |
| Totals | \$ 2,944,345 | | \$ 2,859,698 |

NOTE 6 - LONG-TERM DEBT

Debt outstanding

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 1997:

| | Beginning of Year | Additions | Retirements | End of Year |
|-------------------------------|----------------------|-------------------|-------------------|---------------------|
| Public improvement bonds | \$ 1,185,000 | \$ - | \$ 25,000 | \$ 1,160,000 |
| Certificates of indebtedness | - | 300,000 | - | 300,000 |
| Revenue bonds | 1,023,152 | - | 25,852 | 997,300 |
| Accumulated sick pay benefits | 24,687 | 1,219 | 10,824 | 15,082 |
| Totals | \$ 2,232,839 | \$ 301,219 | \$ 111,676 | \$ 2,422,382 |

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Long-term debt payable at September 30, 1997, is comprised of the following:

General Long-Term Debt

Public Improvement Bonds

\$1,448,800 Public Improvement Bonds secured by a pledge and dedication of the 10% sales and use tax levied and collected by the Parish of Iberville and allocated to the Town due in annual installments through March 1, 2007, interest varying from at 5.9% - 9% \$ 1,418,800

Certificate of Indebtedness

\$300,000 Certificate of Indebtedness secured by a pledge and dedication of annual revenues due in annual installments through June 1, 2007, interest at 6% 300,000

Enterprise Fund

Revenue Bonds

\$1,877,500 Sewer Bonds secured by a pledge and dedication of sewer revenues due in monthly installments through May 25, 2019, interest at 9% 908,100

Accumulated Sick Pay Benefits 13,823

Total long-term debt \$ 2,432,123

Debt service requirements to maturity

The annual requirements to amortize debt outstanding at September 30, 1997, including interest payments of \$1,138,235, are as follows:

| Year | Public Improvement Bonds | Certificate of Indebtedness | Sewer Revenue Bonds | Total |
|------------|--------------------------------|-----------------------------------|---------------------------|---------------------|
| 1998 | \$ 143,905 | \$ 37,700 | \$ 75,641 | \$ 257,246 |
| 1999 | 143,995 | 40,620 | 75,641 | 264,256 |
| 2000 | 143,700 | 41,180 | 75,641 | 264,521 |
| 2001 | 151,855 | 40,620 | 75,641 | 268,116 |
| 2002 | 158,448 | 41,080 | 75,641 | 275,089 |
| 2003 -2007 | <u>262,070</u> | <u>202,860</u> | <u>1,256,173</u> | <u>2,321,103</u> |
| | <u>\$ 1,207,973</u> | <u>\$ 403,980</u> | <u>\$ 1,634,382</u> | <u>\$ 3,246,335</u> |

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Normally, debt issues are not retired prior to their maturity. For accounting purposes, interest coupons issued in connection with the sale of various bond issues become obligations/expenses of the Town only with the passage of time, and they represent fixed and determinable obligations which must be retired from future revenues.

The following table indicates unamortized interest outstanding at September 30, 1997, and the amounts which can be presumed to be required in future years for retirement of both outstanding debt and interest which will become due and payable over the remaining life of the various debt issues.

| | Amount to be provided for General Long- Term Debt | Unamortized Interest Coupons | <u>Total</u> |
|---|--|------------------------------------|---------------------|
| Public improvement bonds to be retired from proceeds of sales tax | \$ 907,677 | \$ 397,873 | \$ 1,305,550 |
| Certificate of Indebtedness to be retired from excise revenue | 287,357 | 103,980 | 391,337 |
| Accumulated sick pay benefits to be retired from excise revenue | <u>15,072</u> | <u>-</u> | <u>15,072</u> |
| Totals | <u>\$ 1,210,106</u> | <u>\$ 501,853</u> | <u>\$ 1,711,959</u> |

Interest expense for all debt as of September 30, 1997, was \$124,329

Bond restrictions

Sales Tax Bonds

Under the terms of the indenture authorizing the issuance of Public Improvement Bonds - Series 1992, proceeds of the 3/3% sales and use tax, collected by the Parish of Iberville, and allocated to the Town, are pledged and dedicated for the establishment and maintenance of the following bond funds:

1. A Public Improvement Bond - Series 1992 Sinking Fund is to be used for the payment of the principal and interest on outstanding bonds as they become due and payable. Monthly payments are to be equal to the sum of one-sixth of interest falling due on the next interest payment date and one-twelfth of principal falling due on the next principal payment date.

NOTE 4 - LONG-TERM DEBT (CONTINUED)

Sales Tax Bonds (Continued)

2. A Public Improvement Bond - Series 1992 Sales Tax Bond Reserve Fund is to be used solely for the purpose of paying principal and interest on bonds payable from the Bond Sinking Fund, as to which there would otherwise be default. Requirements for establishment of the fund have been met and no further payments are to be made.

Certificate of Indebtedness

In accordance with the terms of the indenture authorizing the issuance of the certificate of indebtedness, excess revenues are used for the establishment of the 1992 certificate of indebtedness sinking fund. The sinking fund is used for the payment of principal and interest on outstanding debt as it becomes due and payable. Monthly payments are equal to the sum of one-sixth of interest becoming due on the next interest payment date and one-twelfth of principal becoming due on the next principal payment date.

Sewer Revenue Bonds

In accordance with the indenture governing Sewerage Utility Fund Revenue Bonds, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Sewerage Enterprise Fund to be serviced by the earnings from the Fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Sewer System Revenue Fund requires all revenue derived from its operations to be deposited in a bank which is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Sewer Revenue Bond Fund requires monthly fund transfers from the sewer system revenue fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Sewer Revenue Bond Fund requires monthly transfers of \$315 to the Sewer Revenue Bond Reserve Fund until the fund shall equal \$75,641. This fund is restricted to payment of principal and interest in case of default.
4. The Sewer Depreciation and Contingency Fund requires monthly transfers of \$325. The fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements which will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond Fund, or Sewer Revenue Bond Reserve Fund.

The Town of White Castle has complied with the above conditions.

NOTE 7 - DEDICATED REVENUES

Proceeds of the Iberville Parish sales and use tax were dedicated to the following purposes as of September 30, 1997:

Opening, constructing, paving, and improving streets, sidewalks, roads and alleys; constructing bridges; purchasing or constructing water works, sewers, drains, drainage canals, pumping plants, sewerage disposal works, light and power plants, gas plants, halls, jails, fire department stations, hospitals, auditoriums, public parks, museums, libraries, docks, wharves, river terminals and other public buildings, including the necessary equipment and furnishings thereof, or for any one or more such purposes.

Consistent with this dedication, transfers from the sales tax fund are being used to retire the Public Improvement Bonds - Series 1992. See Note 6.

NOTE 8 - SEGMENTS OF ENTERPRISE ACTIVITIES

These services, gas, water, and sewerage, are provided by the Town and are financed by user charges. The significant financial data for the year ended September 30, 1997, for those services are as follows:

| | Gas Utility | Wastewater Utility | Sewerage Utility | Total |
|-------------------------|----------------|-----------------------|---------------------|------------|
| Operating revenues | \$ 174,058 | \$ 143,349 | \$ 210,401 | \$ 527,808 |
| Depreciation | 11,016 | 33,692 | 116,873 | 161,581 |
| Operating income (loss) | 48,251 | (702) | (13,975) | 33,574 |
| Operating transfers out | (62,700) | - | - | (62,700) |
| Net income (loss) | (13,449) | 9,600 | (54,683) | (58,532) |
| Assets | 139,733 | 390,648 | 2,769,377 | 3,699,758 |
| Long-term debt | - | - | 998,180 | 998,180 |
| Net working capital | 137,348 | 179,075 | 152,961 | 469,384 |
| Fund capital | 269,894 | 468,374 | 1,898,265 | 2,636,533 |

NOTE 9 - RETIREMENT PLANS

The employees of the Town are covered under the Federal Insurance Contributions Act (Social Security). The Town's contributions were \$37,925 and taxable payroll was \$485,874 for the year ended September 30, 1997.

Qualifying Town employees are members in the Municipal Employees' Retirement System of the State of Louisiana and contribute 3.0% of their wages through payroll withholdings. The Town contributed an additional 3.25% of the employees' wages for the three quarters ended June 30, 1997, and 2.75% of the employees' wages for the quarter ended September 30, 1997. Total expenditures were \$8,150 for the fiscal year.

NOTE 9 - RETIREMENT PLANS (CONTINUED)

Qualifying policemen of the Town are members of the Police Retirement System of the State of Louisiana and contributed 7.5% of their annual wages through payroll withholdings. The Town contributed an additional 9% of the employees' wages. The Town's contribution to the plan totaled \$7,319 based on \$81,414 of eligible wages for the year ended September 30, 1997. The amounts are paid to the Retirement System which is responsible for administering the plan and distributing benefits.

NOTE 10 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 1997, were as follows:

| | Interfund | |
|-------------------------|-------------------|-------------------|
| | Receivable | Payable |
| General Fund | | |
| Gas Utility Fund | \$ 41,658 | \$ - |
| Waterworks Utility Fund | 40,579 | - |
| Sewerage Utility Fund | 87,199 | - |
| Enterprise Funds | | |
| Gas Utility Fund | | |
| General Fund | - | 41,658 |
| Waterworks Utility Fund | | |
| General Fund | - | 40,579 |
| Sewerage Utility Fund | | |
| General Fund | - | 87,199 |
| | <u>\$ 149,436</u> | <u>\$ 149,436</u> |

NOTE 11 - COMPENSATION TO GOVERNING BODY

The Town compensated its Mayor and members of the Board of Aldermen as follows:

| | |
|--------------------|------------------|
| Mayor | |
| Maurice Brown | \$ 8,407 |
| Board of Aldermen | |
| Barbara O'Beir | 1,799 |
| John Desobles | 1,349 |
| Steve Dohon | 1,799 |
| Harold Schousnyder | 1,350 |
| Ernest Allen | 1,799 |
| | <u>\$ 26,463</u> |

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Construction contract

As September 30, 1997, the Town had outstanding commitments resulting from construction and engineering contracts of approximately \$300,000.

Water revenue bonds

On September 8, 1997, the Town entered into a loan resolution with the Farmers Home Administration which authorized the incurrence of indebtedness of \$230,000 payable over 40 years at 5% per annum. The debt is for the rehabilitation of the Town's water tank and system.

Litigation

A suit arising from operations of the police department is pending against the Town. The case is covered by insurance; however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of Town management that the ultimate resolution of such litigation will not have a material effect on the financial position of the Town. The Town is vigorously defending this matter.

Grants

The Town receives Federal, State and local grants for specific purposes that are subject to audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of Town management that the Town's compliance with the terms of grants will result in no disallowed costs.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent to September 30, 1997, the Town awarded construction contracts of approximately \$218,300 for services relating to the rehabilitation of the Town's water tank and system.

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

**TOWN OF WHITE CASTLE, LOUISIANA
GENERAL FUND**

BALANCE SHEETS

September 30, 1997 and 1996

| | 1997 | 1996 |
|---|-------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 31,793 | \$ 107,468 |
| Due from other funds | <u>149,412</u> | <u>69,847</u> |
| Total assets | <u>\$ 181,205</u> | <u>\$ 207,415</u> |
| LIABILITIES | | |
| Accounts payable | \$ 23,001 | \$ 25,004 |
| Payroll and related payables | <u>30,825</u> | <u>12,164</u> |
| Total liabilities | <u>\$ 53,826</u> | <u>\$ 37,168</u> |
| FUND BALANCE | | |
| Designated - subsequent year's expenditures | - | 8,797 |
| Undesignated | <u>128,156</u> | <u>161,440</u> |
| Total fund balance | <u>128,156</u> | <u>170,237</u> |
| Total liabilities and fund balance | <u>\$ 181,982</u> | <u>\$ 207,415</u> |

Notes on Exhibit A-6 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1997

| | 1997 | | Variance - favorable (unfavorable) | 1996 Actual |
|--------------------------|-------------------|-------------------|--|-------------------|
| | Budget | Actual | | |
| REVENUES | | | | |
| Taxes | | | | |
| Ad valorem | \$ 21,000 | \$ 21,033 | \$ 33 | \$ 19,947 |
| Public utility franchise | 20,464 | 20,464 | - | 21,247 |
| Cable T.V. franchise | 2,700 | 4,288 | 1,588 | 4,011 |
| License and permits | 66,800 | 66,816 | 16 | 55,940 |
| Intergovernmental | | | | |
| Tobacco | 11,000 | 10,998 | (2) | 10,998 |
| Recreation | 67,200 | 80,000 | 12,800 | 27,500 |
| Beer | 4,600 | 3,572 | (1,028) | 7,353 |
| Video poker | 57,000 | 56,382 | (618) | 17,027 |
| Fire insurance | 5,500 | - | (5,500) | 5,427 |
| Local housing authority | 14,800 | 15,870 | 1,070 | 13,548 |
| Fines | 22,500 | 22,985 | 485 | 22,908 |
| Other | | | | |
| Lease and royalty | 4,036 | 4,036 | - | 4,815 |
| Interest | 800 | - | (800) | - |
| Miscellaneous | 9,627 | 10,036 | 409 | 12,485 |
| Total revenues | \$ 267,238 | \$ 246,478 | \$ (20,760) | \$ 227,486 |

(Continued)

**TOWN OF WHITE CASTLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1997

| | 1997 | | Variance - favorable (unfavorable) | 1996 Actual |
|---|------------------|-------------------|--|-------------------|
| | Budget | Actual | | |
| EXPENDITURES | | | | |
| General government | 308,139 | 304,688 | 3,451 | 267,479 |
| Public safety | 387,884 | 488,273 | (20,391) | 357,181 |
| Streets and sanitation | 136,628 | 140,066 | (3,438) | 140,491 |
| Public health | 31,100 | 34,958 | (3,858) | 5,218 |
| Recreation | 41,662 | 48,440 | (7,778) | - |
| Total expenditures | <u>795,413</u> | <u>857,428</u> | <u>(62,015)</u> | <u>670,379</u> |
| Excess of expenditures over revenues | (528,154) | (990,950) | (62,790) | (442,973) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | 549,868 | 549,868 | - | 471,993 |
| Excess (deficiency) of revenues over expenditures and other sources (uses) | <u>\$ 21,714</u> | <u>(41,082)</u> | <u>\$ (62,796)</u> | <u>28,920</u> |
| FUND BALANCE | | | | |
| Beginning of year | | <u>170,227</u> | | <u>140,280</u> |
| End of year | | <u>\$ 129,144</u> | | <u>\$ 170,227</u> |

Notes on Exhibit A-6 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF DEPARTMENTAL EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1997

| | 1997 | | Variance - Favorable (Unfavorable) | 1996 Actual |
|---------------------------------|----------------|----------------|--|----------------|
| | Budget | Actual | | |
| GENERAL GOVERNMENT | | | | |
| Salaries | \$ 21,900 | \$ 22,414 | \$ (514) | \$ 20,183 |
| Payroll taxes | 3,180 | 4,023 | 843 | 4,023 |
| Municipal retirement | 1,504 | 1,502 | 2 | 284 |
| Employer's insurance | 21,110 | 22,032 | 922 | 97,816 |
| Insurance | 44,100 | 44,609 | 509 | 40,742 |
| Accounting | 11,000 | 8,954 | 2,046 | 20,708 |
| Legal fees | 20,000 | 19,803 | 197 | 21,203 |
| General fund assets | 1,500 | 1,481 | 19 | 21,488 |
| Maintenance - building | 8,700 | 8,627 | 73 | 11,578 |
| Printing | 3,700 | 3,708 | (8) | 4,551 |
| Office supplies | 1,500 | 1,879 | (379) | 1,766 |
| Books and subscriptions | 1,700 | 1,666 | 34 | 2,647 |
| Caravan's fee | - | 700 | (700) | 4,687 |
| Telephone | 1,800 | 4,403 | (2,603) | 4,648 |
| Travel | 20,100 | 20,601 | (501) | 8,708 |
| Printing | 650 | - | 650 | 763 |
| Council on Aging | 3,825 | 4,512 | (687) | 6,203 |
| Commissioners | - | 1,500 | (1,500) | 1,500 |
| Drug testing | 1,500 | 90 | 1,410 | - |
| Maintenance contracts | - | 2,090 | (2,090) | - |
| Appraisals | - | 100 | (100) | - |
| Other | 11,800 | 10,080 | 1,720 | 5,000 |
| Total general government | 288,120 | 284,688 | 3,432 | 267,478 |
| RECREATION | | | | |
| Capital outlay | 41,662 | 40,488 | (1,174) | - |
| Utilities | - | 113 | (113) | - |
| Other | - | 808 | (808) | - |
| Total recreation | 41,662 | 41,409 | (253) | - |
| PUBLIC HEALTH | 21,100 | 24,900 | (3,800) | 3,218 |

**TOWN OF WHITE CASTLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF DEPARTMENTAL EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1997

| | 1997 | | Variance - Favorable (Unfavorable) | 1996 Actual |
|-----------------------------|----------------|----------------|--|----------------|
| | Budget | Actual | | |
| PUBLIC SAFETY | | | | |
| Police | | | | |
| Salaries | 226,625 | 241,575 | (17,080) | 189,580 |
| Payroll taxes | 19,130 | 18,677 | 471 | 15,818 |
| Municipal indemnity | 9,842 | 7,896 | 1,946 | 6,813 |
| Employer's insurance | 17,400 | 17,372 | 28 | - |
| General fund assets | 12,400 | 10,470 | 1,930 | 3,464 |
| Maintenance - vehicle | 6,200 | 6,340 | (140) | 8,106 |
| Field supplies | 500 | 6,827 | (6,327) | 6,568 |
| Clothing | 6,128 | 4,950 | 1,178 | 2,740 |
| Printing | 858 | 3,050 | (2,192) | 1,106 |
| Jail books | 3,800 | 3,898 | (98) | 3,007 |
| Drug testing | 489 | 612 | (123) | - |
| Maintenance - building | 798 | 300 | 498 | - |
| Vehicle fuel | 3,880 | 3,702 | 178 | 4,711 |
| Dues and subscriptions | 184 | 184 | - | - |
| Travel | 880 | 1,042 | (162) | - |
| Telephone | 960 | 881 | 79 | - |
| Insurance contracts | 730 | 747 | (17) | - |
| Other | 6,942 | 6,541 | 1,401 | 6,412 |
| Total police | <u>354,246</u> | <u>378,682</u> | <u>(20,295)</u> | <u>258,642</u> |
| Volunteer fire | | | | |
| Truck and equipment | 10,600 | 12,348 | 1,748 | - |
| Materials and supplies | - | 189 | (189) | - |
| Vehicle fuel | - | 327 | (327) | - |
| Telephone | - | 711 | (711) | - |
| Other | - | - | - | 2,689 |
| Total volunteer fire | <u>11,600</u> | <u>13,575</u> | <u>1</u> | <u>2,689</u> |
| Total public safety | <u>365,846</u> | <u>392,257</u> | <u>(20,294)</u> | <u>261,331</u> |

**TOWN OF WHITE CASTLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF DEPARTMENTAL EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1997

| | 1997 | | Variance - Favorable | 1996 Actual |
|-------------------------------------|-------------------|-------------------|-------------------------|-------------------|
| | Budget | Actual | | |
| STREETS AND SANITATION | | | | |
| Salaries | 22,500 | 22,877 | (377) | 22,627 |
| Employer's insurance | 12,700 | 12,624 | 76 | - |
| Payroll taxes | 4,820 | 6,179 | (1,359) | 3,479 |
| Municipal retirement | 1,816 | 2,359 | (543) | 318 |
| Maintenance - equipment | 200 | 2,172 | (1,972) | 19 |
| Maintenance - street | 4,100 | 8,482 | (4,382) | 8,126 |
| Maintenance - vehicle | 700 | 608 | 92 | 671 |
| Utilities | 49,000 | 49,392 | (392) | 21,894 |
| Vehicle fuel | 2,127 | 1,997 | 130 | 2,200 |
| Engineering | - | 1,243 | (1,243) | 9,899 |
| Repairs | - | - | - | 73 |
| Drainage repairs | 50 | 24 | 26 | 2,499 |
| Subcontract reports | 125 | 183 | - | 1,685 |
| Chemicals | 1,500 | 1,487 | 13 | 371 |
| Drug testing | - | 82 | (82) | - |
| Other | 225 | 400 | (175) | 762 |
| Total streets and sanitation | 129,628 | 149,058 | (19,430) | 149,491 |
| Total expenses | \$ 793,413 | \$ 807,428 | \$ (14,015) | \$ 679,379 |

Notes on Exhibit A-4 are an integral part of this statement.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for specified purposes.

TOWN OF WHITE CASTLE, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

September 30, 1997

| | Sales Tax | | Total | |
|---|---------------------|------------------|---------------------|-------------------|
| | Fund | Section 8 | 1997 | 1996 |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 152,832 | \$ 85,661 | \$ 238,493 | \$ 180,814 |
| Investments, at cost | 748,218 | - | 748,218 | 682,734 |
| Due from other governments | 44,832 | - | 44,832 | 83,371 |
| Total assets | \$ 1,025,192 | \$ 85,661 | \$ 1,091,853 | \$ 932,135 |
| LIABILITIES | | | | |
| Deferred income | \$ - | \$ 85,661 | \$ 85,661 | \$ 52,212 |
| Total liabilities | - | 85,661 | 85,661 | 52,212 |
| FUND BALANCE | | | | |
| Designated - subsequent year's expenditures | 182,794 | - | 182,794 | - |
| Undesignated | 842,398 | - | 842,398 | 873,923 |
| Total fund balance | 1,025,192 | - | 1,025,192 | 873,923 |
| Total liabilities and fund balance | \$ 1,025,192 | \$ 85,661 | \$ 1,090,853 | \$ 926,135 |

Notes on Exhibit A-6 are an integral part of this statement

**TOWN OF WHITE CASTLE, LOUISIANA
SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

For the year ended September 30, 1997

| | Sales Tax Fund | Section 8 | Total | |
|---|-------------------|-----------|--------------|------------|
| | | | 1997 | 1996 |
| REVENUES | | | | |
| Intergovernmental | | | | |
| Berwick Parish sales tax | \$ 757,673 | \$ - | \$ 757,673 | \$ 728,713 |
| State grant | - | - | - | 20,262 |
| H/D receipts | - | 23,735 | 23,735 | 0,908 |
| Other | | | | |
| Interest | 40,619 | 1,278 | 41,897 | 29,685 |
| Total revenues | 797,691 | 25,014 | 822,705 | 780,651 |
| EXPENDITURES | | | | |
| Public health | - | - | - | 21,282 |
| Rent and utility assistance | - | 21,987 | 21,987 | 1,489 |
| Administrative | - | 2,627 | 2,627 | 1,000 |
| Total expenditures | - | 24,614 | 24,614 | 23,771 |
| Excess of revenues over expenditures | 797,691 | - | 797,691 | 757,980 |
| OTHER FINANCING USES | | | | |
| Operating transfers out | (151,422) | - | (151,422) | (153,526) |
| Excess of revenues over expenditures and other financing uses | 151,269 | - | 151,269 | 217,574 |
| FUND BALANCE | | | | |
| Beginning of year | 873,823 | - | 873,823 | 646,549 |
| End of year | \$ 1,025,192 | \$ - | \$ 1,025,192 | \$ 873,823 |

Notes on Exhibits A-5 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA
SALES TAX FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1997

| | 1997 | | Variance - Favorable (unfavorable) | 1996 Actual |
|--|------------------|---------------------|--|-------------------|
| | Budget | Actual | | |
| REVENUES | | | | |
| Intergovernmental | | | | |
| Derivative Parish sales tax | \$ 792,100 | \$ 757,672 | \$ 34,428 | \$ 728,713 |
| Other | | | | |
| Interest | 10,000 | 40,618 | 30,618 | 28,187 |
| Total revenues | 802,100 | 798,290 | 33,810 | 756,900 |
| OTHER FINANCING USES | | | | |
| Operating transfers out | (855,285) | (816,421) | 38,864 | (738,580) |
| Excess of revenues over expenditures and other financing uses | <u>\$ 96,815</u> | <u>181,269</u> | <u>\$ 84,454</u> | <u>127,320</u> |
| FUND BALANCE | | | | |
| Beginning of year | | <u>871,813</u> | | <u>846,388</u> |
| End of year | | <u>\$ 1,025,792</u> | | <u>\$ 873,691</u> |

Notes on Exhibit A-1 are an integral part of this statement.

TOWN OF WHITE CASTLE, LOUISIANA
SECTION 8

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1997

| | 1997 | | Variance - Favorable (unfavorable) | 1996 Actual |
|--|------------------|-----------------|--|-----------------|
| | Budget | Actual | | |
| REVENUES | | | | |
| Intergovernmental HUD receipts | \$ 37,183 | \$ 33,793 | \$ (3,450) | \$ 3,918 |
| Other | | | | |
| Interest | _____ | 1,276 | 1,276 | 511 |
| Total revenues | <u>37,183</u> | <u>35,014</u> | <u>(2,171)</u> | <u>4,429</u> |
| EXPENDITURES | | | | |
| Rent and utility assistance | 12,109 | 21,987 | (9,878) | 1,449 |
| Administrative | 1,682 | 1,812 | (161) | 1,000 |
| Total expenditures | <u>13,791</u> | <u>23,814</u> | <u>(10,023)</u> | <u>2,449</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ 13,194</u> | <u>-</u> | <u>\$ (13,194)</u> | <u>-</u> |
| FUND BALANCE | | | | |
| Beginning of year | | _____ | | _____ |
| End of year | | <u>\$ _____</u> | | <u>\$ _____</u> |

Notes on Exhibit A-6 are an integral part of this statement.

DEBT SERVICE FUNDS

**Debt Service Funds are used to account for
the accumulation of resources for,
and the payment of,
general long-term debt principal and interest.**

**TOWN OF WHITE CASTLE, LOUISIANA
DEBT SERVICE FUNDS**

COMBINING BALANCE SHEET

September 30, 1997

| | Public Improvement Bonds | | Certificates of Indebtedness | Total | |
|---------------------------|--------------------------|----------------------|---------------------------------|-------------------|-------------------|
| | Sales Tax Bonds | | | 1997 | 1996 |
| | 1992 Sinking Fund | 1992 Reserve Fund | | | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 58,325 | \$ - | \$ 12,643 | \$ 70,968 | \$ 12,194 |
| Investments, at cost | - | 144,000 | - | 144,000 | 144,000 |
| Total asset | <u>\$ 58,325</u> | <u>\$ 144,000</u> | <u>\$ 12,643</u> | <u>\$ 214,968</u> | <u>\$ 156,204</u> |
| FUND BALANCE | | | | | |
| Reserve - debt service | <u>\$ 58,325</u> | <u>\$ 144,000</u> | <u>\$ 12,643</u> | <u>\$ 214,968</u> | <u>\$ 156,204</u> |

Notes to Exhibit D-4 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA
DEBT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

For the year ended September 30, 1997

| | Public Improvement Bonds | | Certificate of Indebtedness | Total | |
|--|--------------------------|----------------------|--------------------------------|------------|------------|
| | 1993 Sinking Fund | 1995 Reserve Fund | | 1997 | 1996 |
| REVENUES | | | | | |
| Other | | | | | |
| Interest | \$ - | \$ 8,298 | \$ 76 | \$ 8,374 | \$ 8,085 |
| EXPENDITURES | | | | | |
| Debt service | | | | | |
| Principal retirement | 75,000 | - | - | 75,000 | 75,000 |
| Interest and fiscal charges | 74,860 | - | - | 74,860 | 81,128 |
| Total expenditures | 149,860 | - | - | 149,860 | 156,128 |
| Excess (deficiency) of revenues over expenditures | 149,860 | - | - | 149,860 | 156,128 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Operating transfers in | 103,980 | - | 12,887 | 188,368 | 102,887 |
| Operating transfers out | - | (8,298) | - | (8,298) | (8,086) |
| Total other financing sources (uses) | 103,980 | (8,298) | 12,887 | 180,070 | 144,801 |
| Excess of revenues over expenditures and other financing sources (uses) | (8,110) | 8,298 | (12,887) | (8,090) | 8,728 |
| FUND BALANCE | | | | | |
| Beginning of year | 32,294 | 144,008 | - | 176,302 | 184,896 |
| End of year | \$ 24,184 | \$ 144,008 | \$ (12,887) | \$ 155,305 | \$ 193,624 |

Notes on Exhibit A-6 are an integral part of this statement

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the proceeds of a bond issue for the purpose of street and drainage improvements in White Castle. Such expenditures are to be funded with the proceeds of public improvement bonds.

**TOWN OF WHITE CASTLE, LOUISIANA
CAPITAL PROJECT FUND**

BALANCE SHEET

September 30, 1997

| | 1997 |
|------------------------------------|------------|
| ASSETS | |
| Cash and cash equivalents | \$ 64,754 |
| Investments, at cost | 208,010 |
| Total assets | \$ 272,764 |
| LIABILITIES | |
| Accounts payable | \$ 72,091 |
| FUND BALANCE | |
| Undesignated | 200,713 |
| Total liabilities and fund balance | \$ 272,764 |

Items in Exhibit A-4 are an integral part of this statement

**TOWN OF WHITE CASTLE, LOUISIANA
CAPITAL PROJECT FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - ACTUAL**

For the year ended September 30, 1997

| | <u>1997</u> |
|---|-------------------|
| REVENUES | |
| Other | |
| Interest | \$ <u>1,081</u> |
| EXPENDITURES | |
| Capital projects | |
| Contract payments | 68,000 |
| Engineering | 29,145 |
| Professional | <u>3,986</u> |
| Total expenditures | <u>101,131</u> |
| Excess (deficiency) of revenues over Expenditures | (99,287) |
| OTHER FINANCING SOURCES | |
| Proceeds from long-term debt | <u>200,000</u> |
| Excess of revenues over expenditures and other financing sources | 200,713 |
| FUND BALANCE | |
| Beginning of year | <u>0</u> |
| End of year | <u>\$ 200,713</u> |

Notes on Exhibit A-6 are an integral part of this statement.

PROPRIETARY (ENTERPRISE) FUNDS

Proprietary (Enterprise) Funds are used to account for operations that are similar to private business enterprises. The intent is that the costs of providing services to the general public on a continuing basis be financed through user charges.

**TOWN OF WHITE CASTLE, LOUISIANA
ENTERPRISE FUNDS**

COMBINING BALANCE SHEET

September 30, 1997

ASSETS

CURRENT ASSETS

Cash and cash equivalents
Investments, at cost
Accounts receivable, net
Prepaid insurance
Inventories, at cost

Total current assets

RESTRICTED ASSETS - CASH

FIXED ASSETS, net

Total assets

| | Gas Utility Fund | Waterworks Utility Fund | Sewerage Utility Fund | Total |
|-----------|---------------------|----------------------------|--------------------------|---------------------|
| \$ | 48,721 | 49,780 | 34,200 | \$ 132,701 |
| | 155,468 | 170,126 | 178,178 | 493,772 |
| | 16,159 | 12,071 | 16,192 | 44,422 |
| | 2,481 | 2,462 | 2,462 | 7,405 |
| | 3,211 | 2,928 | - | 6,139 |
| | 227,036 | 277,367 | 212,032 | 716,435 |
| | 39,671 | 10,460 | 27,986 | 78,117 |
| | 72,948 | 297,983 | 1,409,083 | 1,779,014 |
| \$ | 339,231 | 586,640 | 1,368,272 | \$ 1,994,143 |

LIABILITIES

| | | | | | | | |
|--|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| CURRENT | | | | | | | |
| Accounts payable | \$ 31,450 | \$ 15,174 | \$ 3,474 | \$ 49,239 | \$ | \$ | \$ 49,234 |
| Contracts payable | - | - | - | - | - | - | 59,878 |
| Payroll and related payables | 12,286 | 2,223 | 1,233 | 17,664 | 17,664 | 15,363 | 15,363 |
| Due to other funds | 40,000 | 48,126 | 47,196 | 149,419 | 149,419 | 99,607 | 99,607 |
| Other accrued liabilities | 3,083 | 483 | 806 | 4,369 | 4,369 | - | - |
| Current portion of long-term debt | - | - | 25,124 | 25,124 | 25,124 | 25,653 | 25,653 |
| Total current liabilities | 98,169 | 57,134 | 99,736 | 346,548 | 346,548 | 248,522 | 248,522 |
| Payable from restricted assets: | | | | | | | |
| Customer deposits | 59,631 | 25,132 | - | 64,881 | 64,881 | 62,492 | 62,492 |
| Long-term debt | - | - | 573,296 | 573,296 | 573,296 | 598,192 | 598,192 |
| Total liabilities | 179,819 | 82,266 | 1,473,032 | 1,493,117 | 1,493,117 | 1,399,114 | 1,399,114 |
| CAPITAL | | | | | | | |
| CONTRIBUTIONS | | | | | | | |
| From membership | - | 196,339 | - | 196,339 | 196,339 | 148,270 | 148,270 |
| From grants | - | - | 1,218,583 | 1,218,583 | 1,218,583 | 1,214,981 | 1,214,981 |
| From federal grant | - | 136,309 | - | 136,309 | 136,309 | 118,269 | 118,269 |
| RETAINED EARNINGS | | | | | | | |
| Reserved - debt extinguishment | - | - | 11,379 | 11,379 | 11,379 | 9,297 | 9,297 |
| Reserved - property, repairs and replacement | - | 6,334 | 11,445 | 19,878 | 19,878 | 23,118 | 23,118 |
| Unreserved | 209,284 | 196,178 | 441,463 | 646,929 | 646,929 | 624,246 | 624,246 |
| Designated - subsequent year's expenditures | - | 48 | 16,693 | 16,693 | 16,693 | 16,318 | 16,318 |
| Total capital | 209,284 | 469,174 | 1,689,265 | 2,176,513 | 2,176,513 | 2,427,182 | 2,427,182 |
| Total liabilities and capital | \$ 319,103 | \$ 551,440 | \$ 2,799,277 | \$ 3,669,630 | \$ 3,669,630 | \$ 1,796,296 | \$ 1,796,296 |

Notes on Exhibit A-6 are an integral part of this statement.

TOWN OF WHITE CASTLE, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

For the year ended September 30, 1990

| | Gas | Water works | Sewerage | Total | |
|---|----------------|----------------|----------------|------------|------------|
| | Utilities Fund | Utilities Fund | Utilities Fund | 1987 | 1988 |
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 203,984 | \$ 140,841 | \$ 218,298 | \$ 463,779 | \$ 438,820 |
| Penalties | 18,824 | - | - | 18,824 | 8,828 |
| Other | 3,878 | 3,488 | 120 | 3,886 | 2,932 |
| Total operating revenues | 226,686 | 144,329 | 218,418 | 479,893 | 449,580 |
| OPERATING EXPENSES | | | | | |
| Gas | 99,931 | - | - | 99,931 | 87,941 |
| Depreciation | 110,140 | 23,692 | 116,873 | 150,280 | 148,897 |
| Field | 89,712 | 78,887 | 20,849 | 189,448 | 220,818 |
| Administration | 83,821 | 88,832 | 20,824 | 133,477 | 147,114 |
| Total operating expenses | 283,604 | 191,411 | 258,546 | 393,561 | 403,770 |
| Operating income (loss) | 43,082 | (47,082) | (40,128) | 86,332 | 45,810 |
| NONOPERATING | | | | | |
| Interest income | 9,880 | 16,821 | 8,881 | 35,582 | 28,888 |
| Interest expense | - | - | (28,788) | (28,788) | (21,888) |
| Total nonoperating | 9,880 | 16,821 | (19,907) | 6,795 | 7,000 |
| Income (loss) before operating transfers | 52,962 | (30,261) | (60,035) | 93,127 | 52,810 |
| OPERATING TRANSFERS | | | | | |
| Operating transfers out | (61,702) | - | - | (61,702) | (61,702) |
| Net income (loss) | (8,740) | (30,261) | (60,035) | (61,749) | (69,892) |
| Depreciation transferred to contributed capital | - | - | 64,718 | 64,718 | 62,897 |
| Net decrease in retained earnings | (8,740) | (30,261) | (15,317) | (54,318) | (66,995) |
| RETAINED EARNINGS | | | | | |
| Beginning balance | 211,665 | 211,581 | 277,211 | 700,457 | 711,295 |
| Ending balance | \$ 202,925 | \$ 181,320 | 261,894 | 646,132 | 644,300 |

Notes on Exhibit A-6 are an integral part of this statement

**TOWN OF WHITE CASTLE, LOUISIANA
ENTERPRISE FUNDS**

Table E-2

COMBINING STATEMENT OF CASH FLOWS

For the year ended September 30, 1997

| | City Funds Fund | Waterworks Funds Fund | Sewerage Funds Fund | Total Fund | 1997 | 1996 |
|---|-----------------------|-----------------------------|---------------------------|---------------|-------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Operating income (loss) | \$ 44,223 | \$ 1,962 | \$ 110,078 | \$ 166,263 | \$ 1,074 | \$ 44,776 |
| Adjustments to operating income | | | | | | |
| Depreciation | 11,076 | 3,092 | 18,075 | 32,243 | 399 | 148,887 |
| Change in operating assets and liabilities: | | | | | | |
| Accounts receivable | 2,108 | 1,094 | 13,075 | 16,277 | 399 | 14,894 |
| Inventory | 11,443 | 2,028 | - | 13,471 | 12,078 | 1,607 |
| Customer deposits | 1,775 | 906 | - | 2,681 | 2,311 | 3,348 |
| Prepaid interest | (1,467) | (1,467) | (2,467) | (5,394) | (1,984) | (2,544) |
| Accounts payable and accrued expenses | 4,388 | (8,388) | (18,087) | (22,087) | 4,388 | (1,844) |
| Net cash provided by operating activities | 75,844 | 28,842 | 89,532 | 194,218 | 184,411 | 282,141 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | | | |
| Net capital funds | 21,749 | (1,141) | (1,141) | 19,467 | 19,467 | 1,174 |
| Net loans and borrowings | (81,282) | - | - | (81,282) | - | 146,944 |
| Operating transfers in | (98,981) | (1,141) | (1,141) | (101,263) | (101,263) | (81,085) |
| Net cash provided (used) by non-capital financing activities | - | - | - | - | - | (79,911) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Decrease in non-current payable | - | - | (24,095) | (24,095) | (24,095) | (24,095) |
| Contributed assets | (4,475) | (54,411) | - | (58,886) | - | (58,886) |
| Acquisition and construction of capital assets | - | - | (94,046) | (94,046) | (94,046) | (94,046) |
| Interest expense | - | - | (27,211) | (27,211) | - | (27,211) |
| Repayment of former revenue bonds | (4,475) | (54,411) | (1,341,175) | (1,400,061) | (1,400,061) | (1,400,061) |
| Net cash used by capital activities | (4,475) | (54,411) | (1,416,417) | (1,475,303) | (1,475,303) | (1,475,303) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Net operations (benefits) of capital assets | (24,174) | (14,149) | 14,149 | (24,174) | (24,174) | (24,174) |
| Net operations (benefits) of capital assets | 9,088 | (1,901) | 1,901 | 9,088 | 9,088 | 24,987 |
| Net operations (benefits) of capital assets | (15,086) | (15,050) | 15,050 | (15,086) | (15,086) | (15,086) |
| Net cash provided (used) by investing activities | 4,112 | (17,049) | 14,947 | (1,000) | (1,000) | (1,000) |
| Income (losses) on cash | (1,384) | (98,175) | 89,108 | (114,451) | (114,451) | (114,451) |
| CASH AND CASH EQUIVALENTS | | | | | | |
| Beginning of period | \$ 15,476 | \$ 11,025 | \$ 12,171 | \$ 38,672 | \$ 38,672 | \$ 38,672 |
| End of period | \$ 19,390 | \$ 1,876 | \$ 17,118 | \$ 38,384 | \$ 38,384 | \$ 38,384 |

TOWN OF WHITE CASTLE, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF OPERATING EXPENSES

For the year ended September 30, 1997

| EXPENSE | Gas | Waterworks | Sewerage | Total | |
|--------------------------|--------------|--------------|--------------|------------|------------|
| | Utility Fund | Utility Fund | Utility Fund | 1997 | 1996 |
| Gas | \$ 89,500 | \$ - | \$ - | \$ 89,500 | \$ 87,900 |
| Depreciation | 11,016 | 20,692 | 116,875 | 148,583 | 148,807 |
| Field | | | | | |
| Salaries | 62,158 | 62,906 | 20,448 | 145,512 | 138,098 |
| Payroll taxes | 4,824 | 4,129 | 2,775 | 11,728 | 11,240 |
| Municipal retirement | 1,858 | 1,708 | 1,840 | 5,406 | 5,292 |
| Employee insurance | - | - | 2,267 | 2,267 | 2,977 |
| Maintenance - equipment | 2,597 | 2,698 | 2,284 | 7,681 | 17,740 |
| Chemical | 1,190 | 18,932 | 8,705 | 29,827 | 32,004 |
| Track | - | - | - | - | 6,798 |
| Field supplies | 859 | 7,664 | 1,247 | 12,090 | 8,424 |
| Uncollectible | - | 494 | - | 494 | 427 |
| Oxidation pond | - | - | 1,833 | 1,833 | 3,120 |
| Engineering | 2,843 | - | 1,742 | 4,585 | 31,000 |
| Drug testing | 839 | 139 | 87 | 1,065 | - |
| Other | 2,280 | 677 | 943 | 3,900 | 18,424 |
| Total field | 68,152 | 79,565 | 31,840 | 179,557 | 228,818 |
| Administration | | | | | |
| Salaries | 12,360 | 12,800 | 12,800 | 38,000 | 36,200 |
| Employee benefits | 18,925 | 832 | - | 21,757 | 11,796 |
| Insurance | 9,180 | 9,782 | 30,178 | 49,140 | 36,330 |
| Office supplies | 710 | 710 | 488 | 2,108 | 2,477 |
| Uncollectible | 1,268 | - | 250 | 1,758 | 1,828 |
| Computer service | 4,877 | 4,877 | 4,877 | 12,201 | 7,820 |
| Utilities | 1,812 | 4,713 | 34,947 | 41,472 | 30,880 |
| Telephone | 2,263 | 2,899 | 2,708 | 7,870 | 8,240 |
| Fuel | 387 | 890 | 253 | 1,530 | - |
| Printing | 70 | 70 | 70 | 210 | - |
| Dues and subscriptions | 20 | 220 | 20 | 270 | - |
| Travel | - | 318 | 482 | 798 | - |
| Vehicle maintenance | 1,831 | 1,823 | 1,483 | 4,137 | - |
| Professional | 1,684 | 1,277 | 1,246 | 4,207 | 12,200 |
| Total administration | 45,182 | 40,852 | 51,654 | 138,688 | 147,834 |
| Total operating expenses | \$ 221,862 | \$ 161,217 | \$ 224,276 | \$ 584,222 | \$ 605,630 |

Notes on Exhibit A-5 are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to
establish accounting control and accountability
for the Town's general fixed assets.

TOWN OF WHITE CASTLE, LOUISIANA

STATEMENT OF GENERAL FIXED ASSETS

September 30, 1997

| | <u>1997</u> | <u>1996</u> |
|--|---------------------|---------------------|
| GENERAL FIXED ASSETS | | |
| Land | \$ 232,266 | \$ 232,266 |
| Buildings | 982,506 | 933,294 |
| Improvements other than building | 258,170 | 259,178 |
| Equipment | <u>826,894</u> | <u>754,918</u> |
| Total | <u>\$ 2,419,836</u> | <u>\$ 2,380,740</u> |
| INVESTMENTS IN GENERAL FIXED ASSETS | | |
| General obligation bonds | \$ 34,062 | \$ 34,062 |
| Sales tax revenues | 388,098 | 388,098 |
| Federal revenue sharing | 83,766 | 83,766 |
| General fund | 871,167 | 752,891 |
| State revenue sharing | 17,287 | 17,287 |
| Special revenue funds | 599,823 | 599,823 |
| State grant | 191,478 | 191,478 |
| Capital projects fund | 236,147 | 236,147 |
| Donation | <u>38,180</u> | <u>38,180</u> |
| Total | <u>\$ 2,419,978</u> | <u>\$ 2,301,740</u> |

Notes on Exhibit A-6 are an integral part of this statement.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

This account group is used to account for unamortized general long-term liabilities of the Town except for those in the proprietary funds.

TOWN OF WHITE CASTLE, LOUISIANA

COMBINING STATEMENT OF GENERAL LONG-TERM DEBT

September 30, 1997

| | Public | | | Totals | |
|--|---------------------|------------------------|-----------------------------|---------------------|---------------------|
| | Improvement Bonds | Sales Tax Bonds - 1992 | Certificate of Indebtedness | 1997 | 1996 |
| AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT | | | | | |
| Amount available in debt service funds for debt retirement | \$ 282,323 | \$ 12,643 | \$ - | \$ 214,966 | \$ 196,264 |
| Amount to be provided for general long-term debt | <u>967,672</u> | <u>283,157</u> | <u>15,072</u> | <u>1,210,196</u> | <u>1,013,483</u> |
| Total available and to be provided | <u>\$ 1,150,000</u> | <u>\$ 300,800</u> | <u>\$ 15,072</u> | <u>\$ 1,425,872</u> | <u>\$ 1,209,687</u> |
| GENERAL LONG-TERM DEBT PAYABLE | | | | | |
| Bond payable, net funds of indebtedness and accrued sick pay benefits | <u>\$ 1,200,000</u> | <u>\$ 300,800</u> | <u>\$ 15,072</u> | <u>\$ 1,425,872</u> | <u>\$ 1,209,687</u> |

Notes on Exhibit A-4 are an integral part of this statement.

SUPPLEMENTARY FINANCIAL INFORMATION

TOWN OF WHITE CASTLE, LOUISIANA

OPERATING TRANSFERS

For the year ended September 30, 1997

| | Transfers | |
|------------------------------------|-------------------|-------------------|
| | To | From |
| General Fund: | | |
| Sales Tax Fund | \$ - | \$ 486,169 |
| Gas Utility | - | 63,790 |
| Special Revenue Funds: | | |
| Sales Tax Fund | | |
| 1992 Sales Tax Sinking Fund | 147,686 | - |
| 1997 Sales Tax Sinking Fund | 12,967 | - |
| General Fund | 486,169 | - |
| Debt Service Funds: | | |
| 1992 Sales Tax Sinking Fund | | |
| Sales Tax Fund | - | 147,686 |
| 1992 Sales Tax Reserve Fund | - | 8,296 |
| 1992 Sales Tax Reserve Fund | | |
| 1992 Sales Tax Sinking Fund | 8,296 | - |
| 1997 Sales Tax Sinking Fund | | |
| Sales Tax Fund | - | 12,967 |
| Enterprise Funds: | | |
| Gas Utility Fund | | |
| General Fund | 63,790 | - |
| Totals | \$ 718,418 | \$ 718,418 |

TOWN OF WHITE CASTLE, LOUISIANA
COMBINED SCHEDULE OF BONDED DEBT

September 30, 1997

| | Interest | | Issue Date | Maturity Date | Bonds | | | | |
|---------------------------------|----------|---------------|------------|---------------|--------------|--------------|------------|--------------|--|
| | Rate | Payment Dates | | | Authorized | Issued | Refined | Outstanding | |
| Public Improvement Bonds | | | | | | | | | |
| Secured by sales tax | 5.00% | 5/1; 9/1 | 3/1/92 | 3/1/97 | \$ 1,440,000 | \$ 1,440,000 | \$ 138,000 | \$ 1,110,000 | |
| Water Revenue Bonds | | | | | | | | | |
| Secured by sewer fees | 5.00% | Monthly | 6/2/94 | 5/25/19 | \$ 1,077,500 | \$ 1,077,500 | \$ 79,000 | \$ 998,500 | |

TOWN OF WHITE CASTLE, LOUISIANA

BONDED DEBT

Public Improvement Bonds, Series 1992, Dated March 1, 1992

Interest Payable March 1 and September 1 of Each Year

September 30, 1997

| <u>Maturity</u> | <u>Interest Rate</u> | <u>Yearly Payments</u> | | |
|-----------------|----------------------|------------------------|-------------------|---------------------|
| | | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 1998 | 5.8% | \$ 80,000 | \$ 47,585 | \$ 147,585 |
| 1999 | 6% | 85,000 | 49,995 | 147,995 |
| 2000 | 6.1% | 90,000 | 52,760 | 147,760 |
| 2001 | 6.2% | 100,000 | 51,823 | 151,823 |
| 2002 | 6.3% | 105,000 | 49,443 | 150,443 |
| 2003 | 6.4% | 110,000 | 38,628 | 148,628 |
| 2004 | 6.5% | 120,000 | 31,200 | 151,200 |
| 2005 | 6.5% | 130,000 | 23,075 | 153,075 |
| 2006 | 6.5% | 140,000 | 14,500 | 154,500 |
| 2007 | 6.5% | <u>150,000</u> | <u>4,875</u> | <u>154,875</u> |
| Total | | \$ 1,310,000 | \$ 387,973 | \$ 1,697,973 |

Original issue dated March 1, 1992, for \$1,440,000. Paying agent, First National Bank of Commerce in New Orleans, Louisiana.

This obligation was incurred for the purpose of constructing, acquiring and/or improving streets, street lighting and sidewalks, and a municipal police and jail building.

The bonds are secured by an irrevocable pledge and dedication of the Town's allocation of the assets of proceeds of the special two - thirds of one percent (2/3%) sales and use tax levied and collected by the Parish of Iberville, State of Louisiana.

TOWN OF WHITE CASTLE, LOUISIANA

BONDED DEBT

Sewer Revenue Bonds, Dated May 25, 1994

Principal and Interest Payable on the 25th Day of Each Month

September 30, 1997

| Maturity | Interest Rate | Yearly Payments | | | Bonds Outstanding |
|---------------|------------------|-------------------|-------------------|---------------------|----------------------|
| | | Principal | Interest | Total | |
| 1998 | 5% | \$ 26,535 | \$ 49,187 | \$ 75,641 | \$ 671,765 |
| 1999 | 5% | 27,681 | 47,960 | 75,641 | 644,084 |
| 2000 | 5% | 28,898 | 46,543 | 75,641 | 614,986 |
| 2001 | 5% | 30,286 | 45,055 | 75,641 | 584,400 |
| 2002 | 5% | 31,750 | 43,491 | 75,641 | 552,230 |
| 2003 | 5% | 33,296 | 41,845 | 75,641 | 518,454 |
| 2004 | 5% | 34,924 | 40,117 | 75,641 | 483,030 |
| 2005 | 5% | 37,342 | 38,299 | 75,641 | 445,888 |
| 2006 | 5% | 39,253 | 36,388 | 75,641 | 407,325 |
| 2007 | 5% | 41,281 | 34,380 | 75,641 | 366,974 |
| 2008 | 5% | 43,372 | 32,269 | 75,641 | 324,302 |
| 2009 | 5% | 45,540 | 30,053 | 75,641 | 279,812 |
| 2010 | 5% | 47,923 | 27,718 | 75,641 | 233,189 |
| 2011 | 5% | 50,579 | 25,266 | 75,641 | 184,814 |
| 2012 | 5% | 53,993 | 22,688 | 75,641 | 134,861 |
| 2013 | 5% | 57,662 | 19,979 | 75,641 | 83,699 |
| 2014 | 5% | 58,508 | 17,132 | 75,641 | 31,890 |
| 2015 | 5% | 61,503 | 14,138 | 75,641 | 249,087 |
| 2016 | 5% | 64,658 | 10,991 | 75,641 | 184,537 |
| 2017 | 5% | 67,953 | 7,684 | 75,641 | 118,580 |
| 2018 | 5% | 71,433 | 4,208 | 75,641 | 45,347 |
| 2019 | 5% | 45,147 | 739 | 45,886 | - |
| Totals | | \$ 698,100 | \$ 616,383 | \$ 1,314,483 | |

Original issue dated May 25, 1994, for \$1,077,506. Paying agent, Farmers Home Administration in Hammond, Louisiana.

This obligation was incurred for the purpose of constructing a wastewater treatment facility and sewer force main.

Payments of principal and interest on bonds are secured by and payable solely from revenues generated by sewer fees.

TOWN OF WHITE CASTLE, LOUISIANA**SCHEDULE OF SUPPLEMENTARY INFORMATION**

September 30, 1997

(Without Audit)

Records maintained by the Town of White Castle indicated there were 858 customers serviced by the Sewer Utility Fund at September 30, 1997.

At September 30, 1997, the aging of accounts receivable for the Enterprise Funds were as follows:

| | |
|--------------|------------------|
| Current | \$ 36,080 |
| 31-60 days | 8,951 |
| Over 60 days | <u>82</u> |
| | <u>\$ 45,113</u> |

During the fiscal year ended September 30, 1997, the Town processed 331,700 gallons of sludge through the sewer treatment system.

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

September 30, 2022

| Insurer | Kind of Insurance | Property Description/Address | Amount | Expiration Date |
|--|--|---|--------------------------------------|--------------------|
| Louisiana Municipal Risk Management Agency | Automobile liability | 14 automobiles | \$ 500,000 | May 1, 2023 |
| | Commercial/general liability | Peterson Operations, General Liability, Products and Completed Operations | 200,000 | May 1, 2023 |
| | Law enforcement/compensatory liability | Enforcement Officers | 200,000 | May 1, 2023 |
| | Public officials' errors & omissions liability | Public Officials Errors & Omissions | 200,000 | May 1, 2023 |
| | Worker's compensation | Eighty Employees | - | November 1, 2023 |
| All State Insurance | Commercial property coverage | Sewage Treatment Plant, 11648 Hwy 401 | \$60,000 | October 10, 2023 |
| | Fire and extended coverage | ICM Building, 11648 Bowie St ICM Building contents | 47,000 5,000 | October 10, 2023 |
| | Fire and extended coverage | Water Tower, 12040 Bowie St Water Treatment Bldg. Cannery Shed | 107,000 40,000 60,000 1,000 | October 10, 2023 |
| | Fire and extended coverage | Town Hall and Fire Station, 20211 Bowie St Town Hall and Fire Station contents | 260,000 43,000 | October 10, 2023 |
| | Fire and extended coverage | Jail House, 12271 Hwy, Bowie St Jail House contents | 180,000 20,000 | October 10, 2023 |
| | Fire and extended coverage | Fire Station, 12050 Hwy 401 Fire Station contents | 65,000 2,000 | October 10, 2023 |
| | Fire and extended coverage | Council on Aging Building, 20950 Lattin St Council on Aging Building contents | 134,000 10,000 | October 10, 2023 |
| | Fire and extended coverage | Building, 20211 Bowie St Contents | 160,000 21,000 | October 10, 2023 |
| | Fire and extended coverage | Sewage Pumping Station, 5440 Carter St. | 70,000 | October 10, 2023 |
| | Fire and extended coverage | Sewage Pumping Station, 10440 Bowie St. | 64,000 | October 10, 2023 |
| | Fire and extended coverage | Sewage Pumping Station, 14050 Bowie St. | 54,000 | October 10, 2023 |
| | Commercial inland marine | Gar/Generator Batter (over-voltage) Computers | 50,000 4,000 2,000 | October 10, 2023 |
| | Eight Insurance Company | Named employee bond | Employees | 20,000 |
| Public employee liability bond | | 6000000 | 20,000 | September 11, 2023 |
| Commercial bonds | | 6000000 Cannery | 5,000 5,000 | June 10, 2023 |

SPECIAL INDEPENDENT AUDITORS' REPORTS



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT
OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and
Members of the Board of Aldermen,
Town of White Castle, Louisiana

We have audited the general-purpose financial statements of the TOWN OF WHITE CASTLE, LOUISIANA, as of and for the year ended September 30, 1997, and have issued our report thereon dated January 7, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Compliance with laws, regulations, contracts, and grants applicable to the TOWN OF WHITE CASTLE, LOUISIANA, is the responsibility of the TOWN OF WHITE CASTLE, LOUISIANA's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the TOWN OF WHITE CASTLE, LOUISIANA's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the TOWN OF WHITE CASTLE LOUISIANA's 1997 financial statements.

Fixed Asset Management

Observation: According to L.R.S. 39:224, the Town is required to complete a physical inventory of its property annually. During the year ended September 30, 1997, the Town did not complete a physical inventory.

Recommendation: We recommend that the Town complete a physical inventory of its property on an annual basis.

Management response: The Town will comply with the state asset management laws.

We considered this instance of noncompliance in forming our opinion on whether the **TOWN OF WHITE CASTLE, LOUISIANA's** September 30, 1997, general-purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated January 7, 1998, on those general-purpose financial statements.

This report is intended for the information of management, the Board of Aldermen, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.


Faulk & Whittle, LLC
Certified Public Accountants

Baton Rouge, Louisiana
January 7, 1998



**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and
Members of the Board of Alderman,
Town of White Castle, Louisiana

We have audited the general-purpose financial statements of the **TOWN OF WHITE CASTLE, LOUISIANA**, as of and for the year ended September 30, 1997, and have issued our report thereon dated January 7, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

The management of the **TOWN OF WHITE CASTLE, LOUISIANA**, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the **TOWN OF WHITE CASTLE, LOUISIANA**, for the year ended September 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

SEGREGATION OF DUTIES

Observation: There is not sufficient segregation of duties to have effective internal control. The findings result from the small size of the Town which is served by a limited accounting system. These limitations allow no opportunity for meaningful segregation of duties.

Recommendation: No action recommended.

Management response: We concur with the finding.

FINES

Observation: The Town's police department collects funds associated with fines. As advised, the funds are forwarded to the Town's administration department for deposit. The Town's police department maintains documentation to support the receipt of these funds. Based on our review of fine collection documentation, we discovered the following:

- Seven receipts were missing from the numerically sequenced receipt listing.
- Funds listed as received in the receipt ledger were not found in the deposits.
- Several employees of the police department are collecting fine payments.
- Partial payments on fines are maintained at the Town Hall until the fine is paid in full. The funds are not deposited on a daily basis.
- The Town collects funds for auto businesses that have received checks with insufficient funds. The Town charges a \$30 fee to the individual with the NSF check. In several instances, the fee was either not collected or was collected and remitted to the business requesting collection. The funds were disbursed in cash by employees of the police department and recorded in the receipt ledger.

Recommendation: We have the following recommendations concerning financial reporting of fines:

- Fine payments be collected through Town Hall by the utility clerks.
- Fine assessment and collection records be maintained in the Town's accounting office, to include the preparation of revenue reconciliations, ticket issuance records, and outstanding fines for appropriate collection measures.
- Financial reporting to the Mayor and Town Council be handled by the Town clerk and accounting staff on a monthly basis.
- Disbursements made from NSF collections be made through the Town's accounting office.
- Partial payment collections be deposited on a daily basis.
- Other administrative duties remain with the police department.

Management response: We concur with the recommendation.

CONFISCATED GOODS INVENTORY

Observation: An inventory of confiscated items made by the Police Department was not made during the year ended September 30, 1997.

Recommendation: We recommend the Town's Accounting Department maintain an ongoing inventory of confiscated material.

Management response: The Town's Accounting Department will initiate steps to ensure an accurate inventory of confiscated material.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of management of the organization and the Legislative Auditors. However, this report is a matter of public record and its distribution is not limited.


Paul H. Winkler, C.C.P.A.
Certified Public Accountant

Baton Rouge, Louisiana
January 7, 1998